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TODAY

LINKED FINANCING: Lawsuits have been filed against borrowers of a second failed bank as part of a federal investigation into linked financing arrangements. The suits were filed by the FDIC against a small bank in Kansas 1

CREDIT UNIONS: Credit unions continued to grow at a faster pace than traditional thrift institutions over the past year, according to an *American Banker* survey 1

GAO REPORT: Some of the host of questions spawned by the government rescue of Continental Illinois National Bank and Trust Co. have been taken up by the General Accounting Office in a report released Friday 3

Washington Monday

DEPOSIT INSURANCE: A Treasury Department task force is leaning toward agreement with the FDIC on proposals for improving the deposit insurance system 3

REPORTERS' NOTES: The Office of the Comptroller of the Currency is trying hard to polish off a few items before yearend, but final disclosure rules don't look like they will be crossed off the list 2

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FUTURES: Traders harbor deep doubts about the direction of interest rates, and that is likely to leave credit markets trading in a narrow range, though a distinct downward drift is possible 14

Futures

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THE BACK PAGE: They aren't used to the idea of banking or credit, but members of the Hmong tribe of Laos have formed their first credit union in St. Paul 24

Quote

I do not accept the theory that a bank is necessarily too large to fail.

Thomas Healey, deputy assistant secretary of the Treasury for domestic finance, referring to the FDIC's rescue of Continental Illinois. [3]

Unquote

Investigation of Linked Financing Deals Grows

Failure of Rexford State Bank Spurs FDIC Lawsuits Against Borrowers; More Expected

By RICHARD RINGER

CHICAGO — Federal investigators have expanded their probe into linked financing arrangements with the filing of lawsuits against several borrowers at a second failed bank that allegedly engaged in the questionable practice.

Seven individuals who obtained a total of $325,000 in loans from the Rexford State Bank in Rexford, Kan., were sued last Thursday by the Federal Deposit Insurance Corp., which was named receiver of the bank after it was closed Oct. 10. The FDIC seeks repayment of the now delinquent loans.

Similar lawsuits are expected to be filed during the next several weeks against at least 25 more borrowers who obtained a total of $2 million in loans from Rexford State Bank, said a source close to the investigation.

Rexford State Bank was able to finance these loans only after obtaining brokered deposits, said Michael Manning, a Kansas attorney representing the FDIC. "Those loans were made as a result of getting the brokered funds," said Mr. Manning.

Rexford State Bank completed one of the quickest turnarounds from a good bank to a failed bank that one high-ranking FDIC official could recall.

Prior to getting the brokered funds, Rexford State Bank didn't have the deposits needed to finance the loans, said Mr. Manning, an attorney with the Overland Park, Kan., firm of Morrison, Hecker, Curtis, Kuder & Parrish.

Mr. Manning refused to elaborate.

A source close to the investigation identified the money brokerage firm as First United Fund Ltd. of Garden City, N.Y. The president of the company, which began operating in 1980, is Mario Renda.

First United Fund also placed brokered deposits into another now-failed Kansas bank that investigators say engaged

➤ Rexford: Page 22

Credit Unions Still Growing Faster than Other Thrifts

By L. MICHAEL CACACE

NEW YORK — Credit unions continued to grow faster than other thrift institutions over the 12-month period ended June 30. Assets grew 38% faster and deposits grew 72% faster at credit unions than at savings and loans and savings banks combined. For the 18-month period ending June 30, 1983, assets grew 135% faster at credit unions than at other savings institutions.

The Top 100 Credit Unions, Page 8
More Statistical Tables, Page 10

These are some of the findings of the *American Banker's* seventh annual survey of the top 100 credit unions in the nation, published today.

Faster growth for the credit union industry results from three factors:

- Deregulation is increasing the number of services offered by credit unions and expanding their membership base, which enables them to compete more effectively for deposit dollars.
- The credit union industry's deposit base is less than one eighth the size of the base of other segments of the thrift industry. Changes, therefore, magnify percentage growth.
- Word is getting out that credit union members are the most satisfied consumers of financial services.

From June 30, 1983, to June 30, 1984, assets for the credit union industry were up 18.5% to $110.5 billion from $93.2 billion. And deposits were up 19.4% to $101.2 billion from $84.8 billion, according to data from the Credit Union National Association, or CUNA, as it is known.

➤ Credit Unions: Page 10

Top 5 Credit Unions

Rank 1984	Name of Institution	Assets* 1984
1	Navy FCU	1,598
2	Pentagon FCU	1,000
3	State Employees CU	874
4	United Air Lines Employ. CU.	706
5	Alaska USA FCU	540

*—Dollar amounts in millions.

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Top 100 Credit Unions in the U.S.

Ranked by Total Assets on June 30, 1984, Compared with June 30, 1983

Compiled by American Banker Copyright 1984

Rank 6/30/84	Name and Location of Credit Union	Ins. Type	Total Assets 6/30/84	Total Assets 6/30/83	Rank 6/30/83	Gain In Rank	June 30, 1984 Member Savings	Total Capital	No. of Reg. Share Accounts	IRA Accounts	Ratio of Capital To Assets
1	Navy FCU, Washington, D.C.	1	1,598,200,423	1,307,654,563	1		1,436,712,463	89,287,574	647,534	197,705,842	5.59
2	Pentagon FCU, Arlington, Va.	1	1,000,493,717	837,410,662	2		913,432,273	41,628,316	321,988	127,016,455	4.16
3	State Employees CU, Raleigh, N.C.	3	873,988,323	719,254,365	3		776,255,945	30,686,560	228,962	76,631,255	3.51
4	United Air Lines Employees CU, Chicago	3	705,685,188	564,098,399	4		595,767,125	5,224,579	70,671	97,403,829	0.74
5	Alaska USA FCU, Anchorage	1	540,461,878	466,652,409	6	+1	487,008,303	21,033,834	200,326	37,762,992	3.89
6	Government Employees CU, San Antonio, Tex.	2	530,509,989	486,074,945	5		471,543,525	15,520,116	142,331	25,133,892	2.93
7	Eastern Airlines Employees FCU, Miami	1	504,397,089	413,152,759	7		443,980,984	40,026,050	72,058	52,856,773	7.93
8	Hughes Aircraft Employees FCU, Manhattan Beach, Calif.	1	452,233,805	388,131,863	8		430,691,546	21,068,238	102,614	50,151,533	4.66
9	Telephone Empl. CU of So. Calif. Ltd., Los Angeles	3	398,143,344	340,650,970	10	+1	365,685,413	24,006,110	78,598	48,761,868	6.03
10	Construction Equipment FCU, Peoria, Ill.	1	388,436,999	343,344,291	9		370,599,103	12,521,732	99,720	23,235,374	3.22
11	American Airlines Employees FCU, Dallas	1	382,988,692	302,951,078	11		353,785,752	19,795,780	49,975	37,131,188	5.17
12	Boeing Employees CU, Seattle	2	366,000,000	289,148,469	12		333,000,000	30,000,000	81,921	N.A.	8.20
13	Tinker CU, Oklahoma City	2	349,643,352	265,559,133	13		310,323,206	32,820,796	110,347	16,600,670	9.39
14	IBM Poughkeepsie Employees FCU, N.Y.	1	319,435,794	263,390,000	15	+1	300,066,418	16,046,875	34,867	38,211,637	5.02
15	America First CU, Ogden, Utah	2	305,302,928	263,650,935	14		281,232,850	21,209,970	98,516	12,938,055	6.95
16	LMSC FCU, Sunnyvale, Calif.	1	296,322,124	241,644,960	17	+1	269,456,337	21,471,095	39,562	39,625,418	7.25
17	Golden One CU, Sacramento, Calif.	2	288,815,013	252,226,133	16		272,069,277	12,401,527	91,162	28,059,095	4.29
18	Lockheed FCU, Burbank, Calif.	1	277,406,000	240,215,000	18		259,341,000	12,916,000	57,951	54,000,000	4.66
19	Delta Employees CU, Atlanta	3	257,107,143	206,646,124	22	+3	242,826,110	14,293,038	38,040	N.A.	5.56
20	State Employees Credit Union of Maryland, Inc., Towson	3	253,972,028	217,430,607	20		223,631,752	11,367,404	90,649	18,056,608	4.48
21	TWA CU, Kansas City, Mo.	2	250,167,978	218,448,018	19		240,049,079	9,977,104	36,879	13,272,897	3.99
22	Dearborn FCU, Mich.	1	245,000,000	217,053,497	21		232,000,000	12,000,000	91,000	30,000,000	4.90
23	Teachers CU, South Bend, Ind.	2	239,121,611	179,448,867	30	+7	228,165,215	9,772,834	66,698	21,199,236	4.09
24	Orange County Teachers CU, Santa Ana, Calif.	2	236,565,523	184,131,938	28	+4	189,825,517	43,062,684	39,926	N.A.	18.20
25	Bethpage FCU, N.Y.	1	235,384,079	195,360,768	23		211,841,146	12,897,357	61,769	N.A.	5.48
26	Texins CU, Dallas	2	232,927,236	191,404,315	25		219,250,657	10,098,905	75,006	33,171,714	4.34
27	IBM Endicott/Owego Employees FCU, Endicott, N.Y.	1	231,000,000	194,570,528	24		218,000,000	11,600,000	72,409	17,700,000	5.02
28	Jax Navy FCU, Jacksonville, Fla.	1	226,223,694	186,895,521	27		197,395,396	11,665,797	92,720	12,373,041	5.17
29	Georgia Telco CU, Atlanta	3	216,126,312	175,199,222	34	+5	206,903,396	9,718,094	51,248	14,621,817	4.43
30	Provident Central CU, Burlingame, Calif.	3	216,000,179	176,902,058	32	+2	185,854,975	22,002,090	54,239	N.A.	10.19
31	Dallas Teachers CU	3	215,672,661	179,186,536	31		202,718,076	10,207,360	50,592	15,163,600	4.73
32	Security Service FCU, San Antonio, Tex.	1	215,296,541	182,614,846	29		185,601,146	13,824,801	111,165	13,882,772	6.42
33	Suncoast Schools FCU, Tampa, Fla.	1	212,131,214	171,061,741	37	+4	194,399,505	10,806,002	82,808	18,350,784	5.09
34	San Diego Navy FCU, Calif.	1	212,000,000	176,540,960	33		197,000,000	N.A.	150,000	N.A.	N.A.
35	ENT FCU, Colorado Springs, Colo.	1	211,775,474	159,886,679	44	+9	200,901,319	7,448,683	55,790	13,461,449	3.52
36	Tower FCU, Annapolis Junction, Md.	1	209,957,000	175,038,314	35		195,384,000	9,666,000	58,717	19,600,000	4.62
37	Los Angeles Teachers CU	2	209,263,333	169,218,484	26		189,881,146	4,709,174	24,395	9,659,052	2.25
38	Redstone FCU, Huntsville, Ala.	1	205,392,896	161,136,778	42	+4	192,319,816	8,913,759	81,989	27,099,018	4.34
39	North Island FCU, San Diego, Calif.	1	203,765,401	137,295,290	56	+17	188,958,169	11,455,672	81,863	11,052,044	5.62
40	Government Employees Credit Union of El Paso, Tex.	2	199,804,277	171,012,398	38		176,613,548	5,728,205	55,862	9,579,119	2.87
41	Randolph Brooks FCU, Universal City, Tex.	1	182,004,863	152,029,494	46	+5	166,984,738	12,039,333	55,610	16,530,316	6.61
42	First Community CU, St. Louis, Mo.	3	178,341,477	174,980,710	36		167,766,384	3,686,264	31,488	N.A.	2.07
43	Iron & Steel CU, Birmingham, Ala.	2	177,402,061	155,644,026	45	+2	165,856,647	4,457,453	70,000	9,165,655	2.51
44	Rockland CU, Mass.	3	176,715,600	162,431,664	41		N.A.	3,709,000	56,980	13,593,000	2.10
45	Northwest FCU, Vienna, Va.	1	176,516,728	165,340,000	39		167,367,681	6,923,604	N.A.	16,904,740	3.92
46	Charleston Naval Shipyard FCU, S.C.	1	175,364,554	138,747,758	55	+9	164,082,436	9,501,000	80,000	5,990,000	5.42
47	Andrews FCU, Suitland, Md.	1	174,819,118	150,018,921	47		166,535,967	4,457,756	62,596	15,130,171	2.55
48	Bellco CU, Denver	2	170,643,746	143,699,440	53	+5	154,716,923	13,430,539	36,512	19,761,379	7.87
49	Litton Employees FCU, Woodland Hills, Calif.	1	170,592,236	133,888,289	59	+10	162,437,916	5,764,615	73,249	29,331,796	3.38
50	Rockwell FCU, Downey, Calif.	1	169,233,554	159,747,625	43		155,030,309	12,221,218	72,000	10,266,449	7.22
51	Langley FCU, Hampton, Va.	1	168,441,526	124,390,382	67	+16	144,793,038	11,399,202	54,537	13,179,022	6.77
52	Lockheed Georgia Employees FCU, Marietta	1	168,281,253	148,687,700	48		142,197,086	4,987,702	34,746	N.A.	2.96
53	McDonnell Douglas West FCU, Torrance, Calif.	1	166,667,249	147,172,805	50		151,446,717	12,638,279	38,402	15,649,362	7.58
54	East Hartford Aircraft FCU, Conn.	1	164,128,711	136,866,244	59	+4	152,148,299	9,644,527	75,348	16,731,978	5.88
55	Maxwell-Gunter FCU, Montgomery, Ala.	1	163,251,907	129,341,044	61	+6	152,932,326	8,072,858	62,336	N.A.	4.94
56	Robins FCU, Warner Robins, Ga.	1	162,215,657	143,749,295	52		134,649,025	12,833,719	62,447	8,932,656	7.91
57	Municipal Employees Credit Union of Baltimore, Inc.	3	159,996,470	141,376,569	54		144,560,006	11,038,717	44,874	8,312,256	6.90
58	TRW Systems FCU, Redondo Beach, Calif.	1	159,724,956	122,570,607	69	+11	153,844,750	5,420,080	46,928	N.A.	3.39
59	Mission FCU, San Diego, Calif.	1	157,185,984	137,213,446	57		143,604,698	12,049,082	41,105	14,543,385	7.66
60	Municipal CU, New York	3	156,840,681	127,982,039	62	+2	143,931,431	8,360,769	159,939	7,110,776	5.33
61	IBM Interstate Employees FCU, Rye, N.Y.	1	156,431,518	125,070,978	64	+3	146,906,946	7,054,603	46,804	28,798,104	4.51
62	Travis FCU, Travis A.F.B., Calif.	1	152,669,749	124,769,736	66	+4	137,286,567	12,650,220	51,407	12,502,182	8.29
63	Digital Employees FCU, Maynard, Mass.	1	151,700,000	112,963,000	80	+17	144,000,000	4,400,000	97,900	N.A.	2.90
64	Eastman CU, Kingsport, Tenn.	3	150,533,654	126,973,990	63		137,980,334	9,626,388	21,658	8,744,572	6.39
65	State Department FCU, Arlington, Va.	1	148,570,595	164,521,859	40		138,711,098	4,872,608	38,093	22,032,027	3.28
66	Pennsylvania State Employees CU, Harrisburg	2	147,418,909	107,373,655	90	+24	144,332,476	2,825,800	71,262	18,615,565	1.92
67	First Financial FCU, Glendale, Calif.	1	142,865,291	147,964,377	49		136,952,513	4,884,625	73,512	N.A.	3.42
68	Fort Monmouth FCU, N.J.	1	142,623,816	114,684,000	75	+7	130,552,877	2,681,860	49,679	12,523,591	1.88
69	Portland Teachers CU, Ore.	2	142,202,469	130,511,691	60		133,090,367	8,817,855	60,755	11,183,000	6.20
70	Teachers FCU, Farmingville, N.Y.	1	141,240,380	103,165,374	96	+26	120,000,000	11,000,000	62,000	15,000,000	7.79
71	Philadelphia Police & Fire FCU	1	140,229,654	110,410,676	82	+11	134,368,272	5,929,953	N.A.	16,874,407	4.23
72	MacDill A.F.B. FCU, Fla.	1	140,000,000	103,832,246	94	+22	133,912,789	4,805,418	39,000	7,691,389	3.43
73	Wright-Patt CU, Inc., Fairborn, Ohio	3	139,668,400	121,293,410	70		115,709,868	5,388,925	84,873	13,200,936	3.86
74	Dow Chemical Employees CU, Midland, Mich.	2	139,300,000	117,060,131	73		122,709,000	16,580,000	20,712	0	11.90
75	S.A.F.E. FCU, North Highlands, Calif.	1	138,327,380	116,679,576	74		128,116,736	7,194,826	38,832	9,422,816	5.20
76	Patelco CU, San Francisco	2	137,937,736	103,156,015	97	+21	128,940,130	6,924,103	38,700	8,249,370	5.02
77	Naval Air FCU, Virginia Beach, Va.	1	137,423,484	96,386,853	110	+33	128,029,812	5,434,693	70,838	11,017,372	3.95
78	Eglin FCU, Ft. Walton Beach, Fla.	1	135,558,576	147,129,608	51		131,122,742	1,465,824	70,088	6,880,576	1.08
79	Pan American FCU, Queens, New York	1	135,088,307	99,412,488	103	+24	127,913,398	5,234,404	24,607	N.A.	3.87
80	Atlanta Postal CU	3	134,434,104	105,417,000	93	+13	119,882,129	3,570,030	40,685	7,745,654	2.66
81	Tulsa Teachers CU, Okla.	2	133,314,428	119,209,556	72		127,222,501	5,421,233	35,462	7,701,685	4.07
82	Pen Air FCU, Pensacola, Fla.	1	132,431,267	113,370,795	79		113,265,945	8,447,493	62,361	7,962,486	6.38
83	IBM Mid America Employees FCU, Rochester, Minn.	1	129,942,144	110,032,732	83		123,258,049	5,893,571	46,262	17,265,297	4.54
84	Bank Fund Staff FCU, Washington, D.C.	1	129,587,000	108,555,000	87	+3	122,559,000	5,479,000	14,141	1,586,000	4.23
85	Desert Schools FCU, Phoenix, Ariz.	1	127,989,622	108,743,810	85		118,260,223	8,781,441	51,894	8,846,760	6.86
86	Motorola Employees Credit Union West, Scottsdale, Ariz.	2	127,428,342	99,846,650	102	+16	117,937,759	5,683,969	36,210	22,928,428	4.46
87	Inland Employees FCU, East Chicago, Ind.	1	126,811,090	108,211,281	88	+1	108,073,713	9,005,451	30,355	8,933,973	7.10
88	Nevada FCU, Las Vegas	1	125,494,567	109,652,992	84		118,782,894	5,876,617	67,798	9,395,031	4.68
89	Reynolds Carolina CU, Winston-Salem, N.C.	2	123,439,328	124,994,450	65		113,528,844	7,066,032	22,335	9,600,891	5.72
90	Kern Schools FCU, Bakersfield, Calif.	1	122,947,089	107,982,991	89		111,358,393	8,998,384	43,835	6,460,016	7.32
91	Detroit Teachers CU, Mich.	2	122,891,177	114,531,003	76		107,158,479	9,343,641	48,335	5,736,248	7.60
92	Air Defense Center FCU, El Paso, Tex.	1	122,691,101	98,701,501	105	+13	113,360,957	6,192,344	91,073	10,451,495	5.05
93	Anheuser-Busch Employees CU, St. Louis, Mo.	2	121,764,235	98,478,979	106	+13	114,135,907	3,712,939	28,072	14,129,440	3.05
94	North Carolina Works FCU, Winston-Salem	1	121,589,751	108,685,442	86		102,332,782	4,784,546	21,447	N.A.	3.93
95	Richardson CU, Tex.	3	120,746,483	98,971,982	104	+9	105,348,353	6,117,363	39,198	7,883,726	5.07
96	Newport News Shipbuilding Employees CU Inc., Va.	2	119,359,595	95,175,556	112	+16	107,639,685	11,431,066	39,309	N.A.	9.58
97	Los Angeles Police CU	2	118,002,738	114,258,642	77		N.A.	N.A.	N.A.	N.A.	N.A.
98	Fibre FCU, Longview, Wash.	1	117,921,676	97,281,106	108	+10	110,127,861	5,373,612	25,432	7,790,895	4.56
99	Marquette CU, Woonsocket, R.I.	3	117,173,073	110,814,198	81		110,931,085	1,738,070	36,281	1,762,480	1.48
100	Blue Hill CU, Brookline, Mass.	2	116,915,834	119,979,559	71		110,975,852	3,798,938	28,731	3,901,967	3.25

The listing excludes corporate central federal credit unions and state central credit unions. **Charter-Insurance Type:** 1= Federally-chartered credit union (FCU), which is NCUA-insured. 2= State-chartered NCUA-insured. 3=State-chartered state (agency) insured. **Member Savings:** Includes share capital, share drafts, deposits, and investment certificates. **Total Capital:** This is the sum of statutory reserves plus undivided earnings. **Ratio of Capital to Assets:** Total capital divided by total assets expressed as a percent.

Summary of Survey Findings

Top 100 Credit Unions Compared with All Credit Unions

(Dollar Figures in Millions)

	Date	Top 100	All CUs*	Ratio Top 100:All
TOTAL ASSETS	6/30/84:	23,227	110,515	21.02%
	6/30/83:	19,550	93,238	20.97%
	% Change:	+18.8%	+18.5%	...
MEMBERS' SAVINGS	6/30/84:	20,894	101,230	20.64%
	6/30/83:	17,500	84,798	20.64%
	% Change:	+19.4%	+19.4%	...
IRA ACCOUNT DEPOSITS (a)	6/30/84:	1,845	7,700	23.96%
	6/30/83:	N.A.	3,800†	...
	% Change:	...	+102.6%	...
TOTAL NUMBER MEMBERS (b)	6/30/84:	6,991,090	49,627,000	14.09%
	6/30/83:	6,369,069	47,555,000	13.39%
	% Change:	+ 9.8%	+ 4.4%%	...
TOTAL NUMBER OF CUs	6/30/84:	...	18,900	...
	6/30/83:	...	19,567	...
	% Change:	...	-3.4%	...

* Data for the entire credit union industry provided by Credit Union National Association, Madison, Wis.
† IRA data are for May 1983
(a)— 16 of top 100 credit unions did not provide IRA totals.
(b)— 97 of top 100 credit unions reported membership totals on 6/30/84, and 94 of top 100 reported membership totals on 6/30/83.

The Top 100 CUs Largest Asset Gainers

(Dollar Amounts in Millions)	Assets 6/30/84	Assets 6/30/83	Percent Increase	CU Rank
1 North Island Federal Credit Union, San Diego, Calif.	203.77	137.30	48.41	39
2 Naval Air Federal Credit Union, Virginia Beach, Va.	,137.42	96.39	42.57	77
3 Pennsylvania State Employees CU, Harrisburg	147.42	107.37	37.30	66
4 Teachers Federal Credit Union, Farmingville, N.Y.	141.24	103.17	36.91	70
5 Pan American Federal Credit Union, Queens, N.Y.	135.09	99.41	35.89	79
6 Langley Federal Credit Union, Hampton, Va.	168.44	124.39	35.41	51
7 MacDill Air Force Base Federal Credit Union, Fla.	140.00	103.83	34.83	72
8 Digital Employees Federal CU, Maynard Mass.,	151.70	112.96	34.29	63
9 Patelco Credit Union, San Francisco	137.94	103.16	33.72	76
10 Teachers Credit Union, South Bend, Ind.	239.12	179.45	33.25	23
11 Tinker Credit Union, Oklahoma City	349.64	265.56	31.66	13
12 TRW Systems Federal CU, Redondo Beach, Calif.	159.72	122.57	30.31	56

The Top 10 CUs in IRA Accounts

(Dollar Amounts in Millions)	6/30/84	Mem.Sav. 6/30/83	IRA:MS Ratio	Asset Rank
1 Navy Federal Credit Union, Washington, D.C.	197.7	1,436.7	13.8	1
2 Pentagon Federal Credit Union, Arlington, Va.	127.0	913.4	13.9	2
3 United Airlines Employees Credit Union, Chicago	97.4	595.8	16.3	4
4 State Employees Credit Union, Raliegh, N.C.	76.6	776.3	9.9	3
5 Lockheed Federal Credit Union, Burbank,Calif.	54.0	259.3	20.8	18
6 Eastern Airlines Employees FCU, Miami	52.9	444.0	11.9	7
7 Hughs Aircraft Employ. FCU, Manhattan Beach, Calif.	50.2	430.7	11.6	8
8 Telephone Employees CU of So. Calif., Los Angeles	48.8	365.7	13.3	9
9 LMSC Federal Credit Union, Sunnyvale, Calif.	39.6	269.5	14.7	16
10 IBM Poughkeepsie Employees FCU, N.Y.	38.2	300.1	12.7	14

The Top 10 CUs in Total Capital

(Dollar Amounts in Millions)	Capital 6/30/84	Assets 6/30/83	Cp-Assets Ratio	Asset Rank
1 Navy Federal Credit Union, Washington, D.C.	89.3	1,598.2	5.59	1
2 Orange County Teachers CU, Santa Ana, Calif.	43.1	236.6	18.20	24
3 Pentagon Federal Credit Union, Arlington, Va.	41.6	1,000.5	4.16	2
4 Eastern Airlines Employees FCU, Miami	40.0	504.4	7.93	7
5 Tinker Credit Union, Oklahoma City	32.8	349.6	9.39	13
6 State Employesss Credit Union, Raliegh, N.C.	30.7	874.0	3.51	3
7 Boeing Employees Credit Union, Seattle	30.0	366.0	8.20	12
8 Telephone Employees CU of So. Calif., Los Angeles	24.0	398.1	6.03	9
9 Provident Central Credit Union, Burlingame, Calif.	22.0	216.0	10.19	30
10 LMSC Federal Credit Union, Sunnyvale, Calif.	21.5	296.3	7.25	16

The Top 100 CUs Largest Capital-to-Asset Ratios

(Dollar Amounts in Millions)	Capital 6/30/84	Assets 6/30/84	C-A Ratio %	Asset Rank
1 Orange County Teachers CU, Santa Ana, Calif.	43.1	236.6	18.2	24
2 Dow Chemical Employees Credit Union, Midland, Mich.	16.6	139.3	11.9	74
3 Provident Central Credit Union, Burlingame, Calif.	22.0	216.0	10.2	30
4 Newport News Shipbuilding Employees CU Inc., Va.	11.4	119.4	9.6	96
5 Tinker Credit Union, Oklahoma City	32.8	349.6	9.4	13

The Top 100 CUs Smallest Capital-to-Asset Ratios

(Dollar Amounts in Millions)	Capital 6/30/84	Assets 6/30/84	C-A Ratio %	Asset Rank
1 United Airlines Employees Credit Union, Chicago	5.2	705.7	0.74	4
2 Eglin Federal Credit Union, Ft. Walton Beach, Fla.	1.5	135.6	1.08	78
3 Marquette Credit Union, Woonsocket, R.I.	1.7	117.2	1.48	99
4 Fort Monmouth Federal Credit Union, N.J.	2.7	142.6	1.88	68
5 Pennsylvania State Employees CU, Harrisburg	2.8	147.4	1.92	66

Credit Unions Still Growing Faster than Other Thrifts

Continued from Page 1

Over the same period, the assets of the S&L industry and savings bank industry combined rose 13.4% to $1,038 billion from $915 billion. And deposits rose 11.3% to $857 billion from $769 billion, according to data from the Federal Home Loan Bank Board and the National Council of Savings Institutions.

Deregulation of the financial institutions industry has lifted interest rate and maturity restrictions on deposits; has allowed credit unions to offer a variety of new services such as money market accounts, individual retirement accounts, or IRAs, first and second home mortgages, credit cards, and share drafts; and it has enabled the industry to expand its membership base — enabling credit unions to better compete with money market mutual funds and other thrift institutions.

According to Robert Von der Ohe, chief economist at CUNA, since the deregulation of rates, many credit unions that continue to offer only regular member savings accounts have had sizable deposit inflows, because they are offering their members market rates on regular passbook savings accounts.

The Growing IRA Component

In addition, for those credit unions offering new accounts, growth has also been substantial. IRA accounts especially have been a significant factor in the current surge in credit union deposit growth. According to Mr. Von der Ohe, IRA deposits account for 8.9% of total deposits for those credit unions offering IRAs.

For the industry as a whole, IRA deposits comprise 7.7% of all credit union deposits. And by midyear 1985, Mr. Von der Ohe estimates that IRAs will account for 9.1% of total deposits. In comparison, IRAs account for only 5% of the deposits of savings banks and savings and loans.

For the top 100 credit unions, today's survey finds that the IRA component as a percent of total member savings is even higher than for the industry as a whole. Eighty-three of the top 100 had IRA deposits totaling $1.8 billion on June 30, or 10.1% of their total deposits. For the Lockheed Federal Credit Union, Burbank, Calif. — the nation's 18th largest credit union in assets — the percentage of IRA deposits to total member savings is 20.8%. Approximately $54 million of its $259.3 million in member savings are IRA deposits.

Robert Keeler, president of the $277 million-asset Lockheed Federal, said, "Lockheed is not doing anything special, but we must be doing something right. We are meeting our competition; our rates are very competitive with the upper end of our competition; and because of our relationship with our members, they would rather keep their money here with us."

Mr. Keeler's remarks and today's survey results substantiate a recent nationwide telephone survey of consumer attitudes commissioned by the *American Banker*. That survey found 44% of credit union members felt they got an excellent deal from their credit unions, compared with 20% of savings institution customers and 18% of commercial bank customers who had similar feelings about those institutions.

In addition, 36% of credit union members said they were more satisfied today than a few years ago with their credit unions, compared with 24% of savings institution customers and 16% of bank customers who express those sentiments.

Two Key Rulings

Two 1983 rulings of the National Credit Union Administration are important to the growth of credit unions. One ruling expanded the definition of "family member" in the common bond requirement to include persons related

➡ **Credit Unions: Page 13**

Credit Unions . . .

Continued from Page 10

by blood or marriage to a current member. The other ruling promotes mergers between strong and weak credit unions, regardless of differences in their common bond.

The following figures suggest that these changes are beginning to be felt in terms of increased credit union membership. From 1981 to 1983 credit union membership increased an average of 3% per year to 48 million from 45.3 million. Over the first half of 1984, membership grew at an annual rate of 6.6%, more than double the growth of the prior two years. According to a study by the Federal Reserve Bank of Kansas City, the NCUA rulings "will allow more diversification across borrowers and depositors as ties to specific employers are weakened."

Today's survey results are presented in seven statistical listings. The main listing ranks the top 100 credit unions by total assets on June 30, 1984, and shows midyear 1983 assets and rankings. In addition, total member savings, total capital, the number of regular share accounts, and the capital-to-assets ratio for each institution, as of June 30, 1984, are shown.

Six smaller tables summarize and highlight the data included in the main listing. These tables are found on page 10.

Listed below are the major findings of the survey.

• The Navy Federal Credit Union, Washington, D.C., remains the top credit union in the nation in total assets, member savings, total capital, number of regular accounts, and in IRA deposits. At midyear, Navy Federal had $1.6 billion in assets, $1.4 billion in member savings, $89.3 million in capital (statutory reserves plus undivided earnings), 647,534 regular share accounts, and $197.7 million in IRA deposits.

• Navy Federal's IRA deposit total makes it one of the nation's leading deposit-taking institutions in the IRA arena. It is the 13th largest thrift institution — savings institutions plus credit unions — in IRA deposits, and it is 21st among all deposit-takers, including commercial banks.

• The second largest credit union in terms of capital is Orange County Teachers Credit Union, Santa Ana, Calif., with $43.1 million. Orange County, which ranked 24th in assets, with $237 million, had the best capital-to-assets ratio among the top 100 credit unions — 18.2%. This compares to a 5.05% ratio for the top 100 credit unions as a whole, and it was 53% higher than the second-best ratio of 11.9% for Dow Chemical Employees Credit Union, Midland, Mich.

Robert Steponovich, vice president of marketing at Orange County Teachers, attributes the high ratio to the credit union's "commitment to steady growth and reserve building." In addition, Mr. Steponovich cited the common bond of the credit union as a major factor in keeping "loan delinquency at less than 1%."

• Total assets of the top 100 credit unions were $23.2 billion on June 30, up 18.8% from $19.6 billion a year earlier. The top 100 credit unions held 21% of the total assets of the entire industry, virtually unchanged from the year before.

• Total member savings of the top 100 were up 19.4% to $20.9 billion.

• The credit union with the largest gain in assets among the top 100 was North Island Federal Credit Union, Virginia Beach, Va. Its assets rose 48.4% to $203.8 million at midyear from $137.3 million a year earlier. And North Island rose 17 places in rank to 39th.

Deregulation was cited as the major reason for the gain. It enabled the credit union to aggressively seek and expand its membership. As a result, the number of regular accounts rose 23%, from 66,349 at midyear 1983 to 81,863 at midyear 1984. Also, a portion of the growth was attributed to the money market rates it now offers on regular share accounts. ■

Dear Reader, How Are We Doing?

The American Banker wants very much to make sure its statistical listings for the financial services industry meet your information needs. So would you spend a moment to give us some feedback on the **Top 100 Credit Unions** survey that appears in today's edition? Over the past year we have incorporated many of your suggestions to provide more meaningful information. Please return this questionnaire to L. Michael Cacace, Statistical Chief, American Banker, One State Street Plaza, New York, N.Y. 10004 (212) 943-4836.

(1.) How would you **change** the tabulation to make it more useful? What would you add?

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(2.) What do you like **best** about this tabulation?

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(3.) What do you like **least** about this tabulation?

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(4.) **How** do you use this information in your work?

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(5.) What **new** statistical survey would you like to see?

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Title_____

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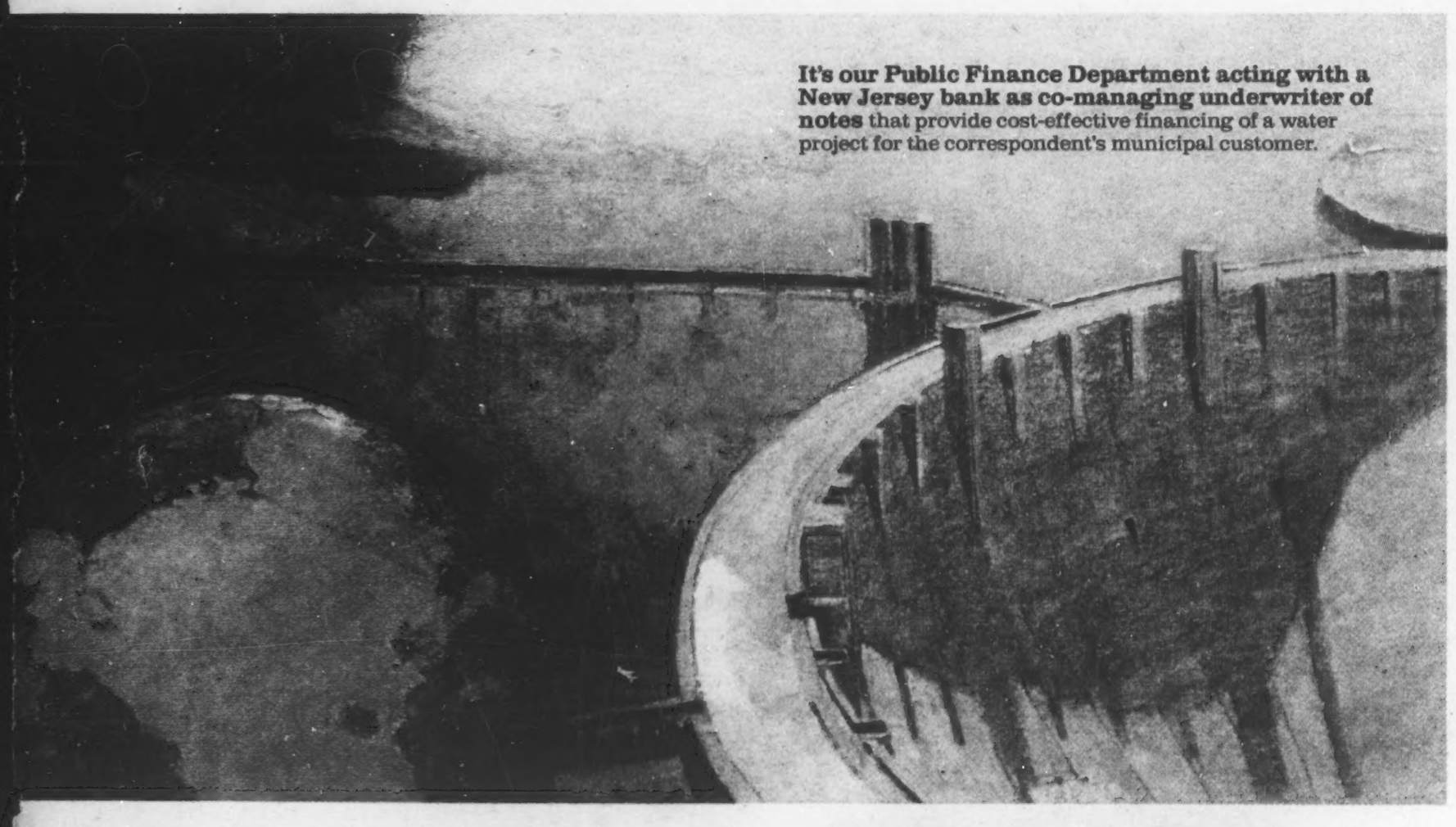

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